Q&A – Michigan Education Trust / Michigan Education Savings Program (MET/MESP)
High School Counselor Financial Aid Update Workshop
November 14, 2008

How should MET and MESP be reported on the FAFSA for the 2008 – 09 year and for the 2009 - 10 years?

The value of the MET contract and MESP account should be reported as parental assets on the FAFSA only if the parent is the MET contract purchaser or the MESP account owner. If the MET contract purchaser or MESP account owner is a grandparent or other relative, the value of MET and MESP is not included on the FAFSA.

Are there any Michigan savings programs for non-profit organizations who award scholarships?

Yes, MET offers a Charitable Tuition contract which is available for business organizations, 501(c)(3) and governmental entities to purchase as scholarships. More information can be found on the MET web site – www.setwithmet.com.

If a student is in college for only two semesters, leaves for four years and returns, will the money (MET or MESP) still be available to them?

Yes, under the MET program a student has 15 years from their expected high school graduation year to completely use the credit hours available or receive a refund.

Under the MESP program there is no time expiration to use the account balance. As long as the MESP account owner does not withdraw the funds, the funds can stay in the account until the student goes back to college.

If parent's circumstances change and they need to move out of state, can they take their money out? (withdrawal)

The answer for MET is no, the funds paid into the MET contract stay in MET until the child reaches age 18 or graduates high school. If the student attends an out-of-state college, the student can request a refund be directed to the out-of-state college or the student can attend a Michigan public college and MET will pay for the credit hours purchased at the in-state rate.

The answer for MESP is yes, MESP funds can be withdrawn anytime by the account owner, but the earnings are taxable if not used for qualified higher education expenses at a qualified higher education institution. The earnings are not taxed if the funds are being rolled over to another 529 program.